

**COMMONWEALTH OF KENTUCKY
OFFICE OF THE ATTORNEY GENERAL
OFFICE OF**

TIN – 873-62-0251

**STANDARD CONTRACT
FOR LITIGATION SUPPORT SERVICES/EXPERT WITNESS
PURSUANT TO KRS 45A.095**

OAG Contract Number	1911-25
Amendment No.	
Account No.	
Contract Amount	<u>\$1,122,500.00</u>
Effective Dates	<u>07/11/2024-</u> <u>06/30/2026</u>

Name and Address of Individual or Firm:

KS0023783
GBX Holdings LLC
d/b/a Global Business Experts Group
8244 E San Miguel Avenue
Scottsdale, AZ 85250

TIN – 873-62-0251

This contract is made and entered into by and between the OFFICE OF THE ATTORNEY GENERAL, Commonwealth of Kentucky, hereinafter referred to as the OAG or as the First Party, and GBX Holdings LLC, hereinafter referred to as the Contractor or as the Second Party.

WHEREAS, the Agency in the exercise of its lawful duties, has determined the necessity of the performance of the following-described function(s):

An expert in the fields of COPPA and marketing, to provide consultation services in connection with the OAG's litigation of consumer protection and like claims against social media companies and, if necessary, to produce a written expert report and expert testimony, based thereon.

WHEREAS, the Agency has concluded that either State personnel are not available to perform said function, or it would not be feasible to utilize state personnel to perform said function; and

WHEREAS, the Second Party is available and would be qualified to perform such function;

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

SERVICES.

The Second Party (the Contractor) will perform the services as described below to the OAG and a coalition of State Attorneys General (hereinafter "the AsG") litigating claims in MDL No. 3047 of the Northern District of California, In re: Social Media Adolescent Addiction/Personal Injury Products Liability Litigation (hereinafter "MDL"). A list of all member state Attorney General offices party in the coalition is provided in Appendix A.:

1. Provide consultation services throughout the fact discovery process in the AsG's litigation in the MDL against social media companies, including, but not limited to, preparing for depositions, assisting in the drafting of requests for production and interrogatories and other fact discovery tasks as needed.
2. Review documents, data, and other evidence produced by social media defendants throughout the course of the MDL litigation.
3. If needed, provide a written expert report detailing the Contractor's expert opinion based on the Contractor's review of the relevant documents, data, and other evidence.
4. If needed, provide expert testimony either through deposition and/or at court hearings or trials related to the MDL.

CONSIDERATION

A. FEE & INVOICING

As fee for the services set forth in this contract, the Agency agrees to pay the Contractor in the following manner or on the following terms:

Upon invoice and approval by agency contact. Invoices must be approved in writing by OAG staff person assigned to review invoices before payment can be made.

Contractor shall charge no more than:

- \$1,170 per hour for expert report preparation (Dr. Adam Alter)
- \$1,440 per hour for expert testimony (Dr. Adam Alter)
- \$585 per hour for travel (Dr. Adam Alter)
- \$513 per hour Principal level support
- \$473 per hour for Senior Analyst/Consultant support
- \$405 per hour for Consultant support
- \$248 per hour for Analyst support
- \$135 per hour for Admin/Coder support

The Contractor's invoice(s) must be signed by the Contractor and shall include not less than the following information:

Name of contractor, mailing address, SS # or Fed. ID #, hours worked and description of services performed.

The contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by the Agency.

Travel time, if required, not to be billed, but paid at the state rate for mileage and in accordance with state travel regulations.

No payment on this contract shall be made prior to the effective date of this contract.

B. MAXIMUM FOR FEE AND EXPENSES

The Contractor's fee and expenses shall not exceed a total of **\$1,122,500.00**.

EXTENSIONS

At the expiration of its initial term, this contract may, at the option of the parties hereto, be extended upon the same terms and conditions as set forth herein for further periods not to exceed twelve (12) months each, subject to the advance approval of the Attorney General.

CONFIDENTIAL INFORMATION

Contractor agrees to treat all non-public written and oral information communicated to it by OAG in connection with the Services as confidential ("Confidential Information"). Contractor shall only disclose Confidential Information to third parties at the discretion of the OAG or by court order upon providing OAG with prior notice of having received an order.

SOCIAL SECURITY

The parties are cognizant that the State is not liable for Social Security contributions pursuant to 42 U.S. Code, Section 418, relative to the compensation of the Second Party for this contract.

Choice of Law and Forum:

All questions as to the execution, validity, interpretation, construction and performance of this contract shall be governed by the laws of the Commonwealth of Kentucky. Furthermore, the parties hereto agree that any legal action which is brought on the basis of this contract shall be filed in the Franklin County Circuit Court of the Commonwealth of Kentucky.

Cancellation:

The state agency shall have the right to terminate and cancel this contract at any time not to exceed thirty (30) days' written notice served on the Contractor by registered or certified mail.

Funding Out Provision:

The state agency may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The state agency shall provide the Contractor thirty (30) calendar days' written notice of termination of the contract due to lack of available funding.

The total liability of GBX Holdings and Professor Alter shall be limited to the total amount of fees and cost paid to them. The terms of this paragraph shall survive termination and/or the expiration of this agreement.

Reduction in Contract Worker Hours:

The Kentucky General Assembly may allow for a reduction in contract worker hours in conjunction with a budget balancing measure for some professional and non-professional service contracts. If under such authority the agency is required by Executive Order or otherwise to reduce contract hours, the contract will be reduced by the amount specified in that document.

Authorized to do Business in Kentucky:

The Contractor affirms that it is properly authorized under the laws of the Commonwealth of Kentucky to conduct business in this state and will remain in good standing to do business in the Commonwealth of Kentucky for the duration of any contract awarded.

The Contractor shall maintain certification of authority to conduct business in the Commonwealth of Kentucky during the term of this contract. Such registration is obtained from the Secretary of State, who will also provide the certification thereof.

Registration with the Secretary of State by a Foreign Entity:

Pursuant to KRS 45A.480(1)(b), an agency, department, office, or political subdivision of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by [KRS 14A.9-010](#) to obtain a certificate of authority to transact business in the Commonwealth ("certificate") from the Secretary of State under [KRS 14A.9-030](#) unless the person produces the certificate within fourteen (14) days of the bid or proposal opening. Therefore, foreign entities should submit a copy of their certificate with their solicitation response. If the foreign entity is not required to obtain a certificate as provided in [KRS 14A.9-010](#), the foreign entity should identify the applicable exception in its solicitation response. Foreign entity is defined within [KRS 14A.1-070](#).

If a foreign entity is not required to obtain a certificate as provided in KRS 14A.9-010, the foreign entity should identify the applicable exception in its response. It is the determination of the OAG that an expert witness or litigation support services are exempt in accordance with KRS14A.9-010 (2) (a) in that they are maintaining, defending or settling any procedure.

Businesses can register with the Secretary of State at <https://secure.kentucky.gov/sos/ftbr/welcome.aspx>.

Invoices for fees:

The Contractor shall maintain supporting documents to substantiate invoices and shall furnish same if required by the OAG.

Travel expenses, if authorized:

The Contractor shall be paid for no travel expenses unless and except as specifically authorized by the specifications of this contract or authorized in advance and in writing by the Commonwealth. Either original or certified copies of receipts must be submitted for airline tickets, hotel bills, restaurant charges, rental car charges, and any other miscellaneous expenses.

Other expenses, if authorized herein:

The Contractor shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized within the specifications of this contract or authorized in advance and in writing by the Commonwealth.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Contractor of valid, itemized statements submitted periodically for payment at the time any fees are due. The Contractor shall maintain supporting documents that substantiate every claim for expenses and shall furnish same if requested by the Commonwealth.

Conflict-of-interest laws and principles:

The Contractor certifies that he/she is legally entitled to enter into this contract with the Commonwealth of Kentucky, and by holding and performing this contract, he/she will not be violating either any conflict of interest statute (KRS 45A.330-45A.340, 45A.990, 164.390), or KRS 11A.040 of the executive branch code of ethics, relating to the employment of former public servants.

Campaign finance:

The Contractor certifies that neither he/she nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of this contract, has contributed more than the amount specified in KRS 121.056(2), to the campaign of the gubernatorial candidate elected at the election last preceding the date of this contract. The Contractor further swears under the penalty of perjury, as provided by KRS 523.020, that neither he/she nor the company which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth, and that the award of a contract to him/her or the company which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.

Access to Records:

The Contractor, as defined in KRS 45A.030(8) and (10), agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. The Contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c).

Violation of tax and employment laws:

KRS 45A.485 requires the Contractor and all subcontractors performing work under the contract to reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the Contractor within the previous five (5) year period of the provisions of KRS chapters 136, 139, 141, 337, 338, 341, and 342. These statutes relate to the state sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health laws, unemployment insurance laws, and workers compensation insurance laws, respectively.

To comply with the provisions of KRS 45A.485, the Contractor and all subcontractors performing work under the contract shall report any such final determination(s) of violation(s) to the Commonwealth by providing the following information regarding the final determination(s): the KRS violated, the date of the final determination, and the state agency which issued the final determination.

KRS 45A.485 also provides that, for the duration of any contract, the Contractor and all subcontractors performing work under the contract shall be in continuous compliance with the provisions of those statutes, which apply to their operations, and that their failure to reveal a final determination, as described above, or failure to comply with the above statutes for the duration of the contract, shall be grounds for the Commonwealth's cancellation of the contract and their disqualification from eligibility for future state contracts for a period of two (2) years.

Contractor must check one:

_____ The Contractor has not violated any of the provisions of the above statutes within the previous five (5) year period.

_____ The Contractor has violated the provisions of one or more of the above statutes within the previous five (5) year period and has revealed such final determination(s) of violation(s). Attached is a list of such determination(s), which includes the KRS violated, the date of the final determination, and the state agency which issued the final determination.

EXAMINED AS TO FORM AND
LEGALITY

Christopher Thacker
Attorney, Office of the Attorney General

FIRST PARTY: Office of the Attorney General

BY Stacy Woodrum

Executive Director, Office Administrative Services

DATE July 15, 2024

SECOND PARTY: GBX Holdings LLC

BY Mark Pelyshyn

TITLE: Principal

DATE July 15, 2024

APPENDIX A
MDL 3047 GROUP OF ATTORNEYS GENERAL

1. The State of California, Office of the Attorney General
2. The State of Florida, Office of the Attorney General
3. The Commonwealth of Kentucky, Office of the Attorney General
4. The State of Nebraska, Office of the Attorney General
5. The State of New Jersey, Office of the Attorney General
6. The State of Illinois, Office of the Attorney General
7. The State of Indiana, Office of the Attorney General
8. The State of New York, Office of the Attorney General
9. The State of North Carolina, Office of the Attorney General
10. The State of Washington, Office of the Attorney General
11. The State of Arizona, Office of the Attorney General
12. The State of Colorado, Office of the Attorney General
13. The State of Connecticut, Office of the Attorney General
14. The State of Delaware, Office of the Attorney General
15. The State of Georgia, Office of the Attorney General
16. The State of Hawaii, Office of the Attorney General
17. The State of Idaho, Office of the Attorney General
18. The State of Kansas, Office of the Attorney General
19. The State of Louisiana, Office of the Attorney General
20. The State of Maine, Office of the Attorney General
21. The State of Maryland, Office of the Attorney General
22. The State of Michigan, Office of the Attorney General
23. The State of Minnesota, Office of the Attorney General
24. The State of Missouri, Office of the Attorney General
25. The State of Montana, Office of the Attorney General
26. The State of North Dakota, Office of the Attorney General
27. The State of Ohio, Office of the Attorney General
28. The State of Oregon, Office of the Attorney General
29. The Commonwealth of Pennsylvania, Office of the Attorney General
30. The State of Rhode Island, Office of the Attorney General
31. The State of South Carolina, Office of the Attorney General
32. The State of South Dakota, Office of the Attorney General
33. The Commonwealth of Virginia, Office of the Attorney General
34. The State of West Virginia, Office of the Attorney General
35. The State of Wisconsin, Office of the Attorney General